



Kansas Department of Credit Unions

KDCU Newsletter

VOLUME 5, ISSUE 1

MARCH 11, 2010

THIS ISSUE AT A GLANCE

- **National Association of State Credit Union Supervisors**
- **Bulletin Issued**
- **Administrator's Remarks**
- **Public Hearing Audit Requirements**
- **March 31, 2010 Call Report Information**
- **Legislation Tracked by KDCU**
- **Credit Union Advisory Council Meets**

Kansas Department of Credit Unions

400 Kansas Avenue,
Suite B
Topeka, KS 66603

Phone: 785-296-3021
Fax: 785-296-6830

National Association of State Credit Union Supervisors

NASCUS, a professional regulators association, is the primary resource and voice of the 47 state government agencies that charter, regulate and examine state-chartered credit unions. (Delaware, South Dakota and Wyoming have no laws to charter state credit unions). The NASCUS mission is to enhance state credit union supervision and advocate for a safe and sound credit union system. State credit union regulators formed NASCUS in 1965 to promote the safety and soundness of state-chartered credit unions.

The Kansas Department of Credit Unions (KDCU) is a member of NASCUS.

NASCUS also represents the interests of state agencies before Congress and is the liaison to federal agencies, including the National Credit Union Administration (NCUA). NCUA is the chartering authority for federal credit unions and the administrator of the National Credit Union Share Insurance Fund (NCUSIF), the insurer of most state-chartered credit unions. NASCUS also provides examiner education programs for state agencies.

NASCUS is governed by a Board of Directors, which consists of nine regulators elected by NASCUS members who are state regulatory agencies and their personnel.

NASCUS Accreditation Program

The NASCUS accreditation program, adopted in 1989, administers and assures quality standards of states' credit union examination and supervision. The program applies national standards of performance to a state's credit union regulatory program.

More than 85 percent of state chartered credit union assets are supervised by NASCUS' 28 accredited state agencies. KDCU has been an accredited agency since 1995.

To earn NASCUS accreditation, a state agency must demonstrate that it meets accreditation standards in six areas:

1. Administration and Finance
2. Personnel
3. Training
4. Examination
5. Supervision
6. Legislative Powers

Accreditation benefits state-chartered credit unions.

NASCUS Credit Union Advisory Council

The NASCUS Credit Union Advisory Council is a national forum of state credit union representatives. The Advisory Council is comprised of the CEOs of state-chartered credit unions. As advisors to NASCUS, the Credit Union Advisory Council provides advice to the NASCUS Board of Directors.

National Institute for State Credit Union Examination (NISCUE)

NISCUE is NASCUS' educational foundation. Through providing continuing education programs for state credit union examiners, NISCUE promotes excellence in credit union supervision. Information on compliance issues and updates on changing industry practices are provided by NISCUE. NISCUE is supported by the generous donations of NASCUS Credit Union Advisory Council members.

NASCUS Programs and Services

State agency accreditation programs, examiner certification, continuing education for examiners and credit unions, and liaison committees and working groups that interact with NCUA are some of the programs provided by NASCUS to promote the safety and soundness of state chartered credit unions.

KDCU is a NASCUS accredited agency and several KDCU examiners are NASCUS certified.

State-chartered credit unions can join the NASCUS Credit Union Advisory Council. Membership fees are scaled by credit union asset size. Membership information is available at nascus.org.

Bulletins Issued

One bulletin was issued since the last newsletter:

2009-KDCU-CUB-12 KDCU Third Quarter Call Report Statistics

Administrator's Remarks

My personal thanks to Governor Mark Parkinson and the Kansas Senate for my reappointment and confirmation as Administrator for a new four-year term ending December 31, 2013. My thanks to everyone who sent me congratulatory notes following the Senate's confirmation vote on February 25, 2010.

Public Hearing

A public hearing to receive comments on a change to K.A.R. 121-10-1 will be held at 10 a.m. May 5, 2010 in the Kansas Department of Credit Unions conference room, Suite B, American Home Life Insurance Company Building, 400 South Kansas Avenue, Topeka.

K.A.R. 121-10-1 defines terms for audit requirements required for credit unions by KDCU. The change of the rule will allow independent certified public accountants who hold a valid permit to practice issued by a state board of accountancy to audit Kansas credit unions. The change of the rule complies with K.S.A. 1-322 amended by the 2009 Kansas Legislature.

March 31 Call Report Cycle

The due date for the 3/31/2010 call report cycle is **Friday, April 23, 2010**. A reminder, each call report cycle credit unions must go into their Profile on-line and make any changes necessary and certify these changes **before** completing

the call report.

Even if no changes to Profile are necessary, the Profile must be certified **before** completing the call report.

During the 12/31/2009 call report cycle, there was different information on the Profile for their CUSO activities for a number of credit unions than shown on the call report. Please ensure the information on the call report and the Profile match.

After the credit union's 2010 annual meeting, credit unions should go into the Profile and update any changes to the Board of Directors and Committee Members.

Legislation KDCU is Tracking

SB 230 would establish a department of financial institutions combining the Department of Credit Unions, Office of the Securities Commissioner and the State Bank Commissioner. The bill was introduced in 2009, no hearings have been held or scheduled.

HB 2724 establishes a department of banks and credit unions combining the Department of Credit Unions and the Office of the State Bank Commissioner. The bill was introduced on March 1, 2010. No hearings held or scheduled. Text and tracking of these and other legislative bills

CREDIT UNION COUNCIL MEETS

The Credit Union Advisory Council met on March 11, 2010. Council members attending were Garth Strand, Chair, Lee Williams, Carol Malecki, Sue Henke and Jim Holt. Guests were Haley DaVee, Jerel Wright and Larry Eisenhauer.

The Administrator announced that Governor Mark Parkinson has reappointed Jim Holt and Gilbert Benton to the Council for three year terms.

The Administrator updated the Council on examiner training, the recent meeting with NCUA and other changes.

The Council received several reports:

- ◆ KDCU financial reports.
- ◆ Kansas credit union condition report.
- ◆ Changes in credit union bylaws, articles of incorporation, credit union mergers and approval of new branch locations.
- ◆ Frequency of examinations report.
- ◆ Legislation being considered by the Kansas legislature.
- ◆ Update on status of relocation of the KDCU Topeka office.

The Council extensively discussed the corporate credit union stabilization program and the NCUSIF assessment to credit unions..

The Kansas Credit Union Association reported on recent regulatory issues and legislation.

Kansas Corporate Credit Union reported on recent events in the corporate credit union system.

The next meeting of the Credit Union Advisory Council is scheduled for Thursday, June 10, 2010.

Credit union members and officials are invited and encouraged to attend Council meetings. The Council meeting notice and agenda are posted on the department's web site.

Kansas Department of Credit Unions Staff

John P. Smith, Administrator
Dick Yadon, Financial Examiner Administrator
James Klausen, Financial Examiner Principal
Valorie White Financial Examiner Principal
Michael Baugh, Financial Examiner Principal
Manny Lopez, Financial Examiner Principal

Christopher Taylor, Financial Examiner Senior
Tana Hoffman, Financial Examiner Senior
Billy Vardaman, Jr., Financial Examiner
Cheryl Bishop, Administrative Specialist
Jenny Rezac, Administrative Specialist